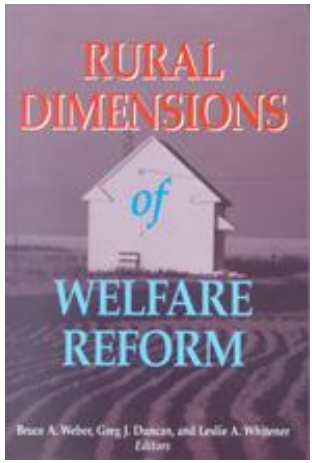
Food Stamps in Rural America: Special Issues and Common Themes



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Food Stamps in Rural America
Special Issues and Common Themes

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The Food Stamp Program (FSP) is a federally administered assistance program and has, since its inception, had a high degree of uniformity in its administration. Given that the program is so centralized and serves a predominantly urban population, an important question is how successfully the program meets the special needs of rural, low-income populations. This chapter addresses this issue by examining rural-urban differences in characteristics of FSP participants, FSP participation rates, and experiences of low-income populations with the program. The chapter also contributes to the policy debate on the wider question of how best to structure assistance programs when different geographic areas have different needs.

We find that, overall, the FSP serves rural populations at least as well as urban populations. The participation rate—the proportion of persons eligible for food stamps who receive them—is higher in rural areas than in urban areas. Although the food stamp caseload has fallen since 1994 in both rural and urban areas, the sharp decline in participation rates that occurred is an urban phenomenon. Although the fall in the urban FSP caseloads is due to both a decline in the number of people eligible for the program and the rate at which those who are eligible participate, the fall in the rural FSP caseloads can be fully explained by the decline in the number of people eligible for the program.

Evidence from both survey research and focus groups suggests that rural and urban low-income populations face somewhat different issues in the decision to participate in the FSP. In rural areas, lack of information about eligibility for the program and information about where and

how to apply are more significant barriers to participation than in urban areas. On the other hand, more complaints about disrespectful and unhelpful caseworkers are heard in urban areas than rural ones. A picture emerges from our data of large, impersonal, urban food stamp offices and smaller, more user-friendly, rural offices. This distinction may explain at least some of the rural/urban difference in participation rates. In rural areas, the caseworkers in the smaller offices may be more likely to ensure that people who are no longer eligible for cash assistance benefits know that they may still be eligible for food stamps. Surprisingly, we find relatively little evidence that transportation difficulties are an important deterrent to participation in either rural or urban areas.

Before describing our data sources and the distinctions between rural and urban welfare populations, we provide some background on the differences between the food stamp and cash welfare programs and how the programs were treated differently in the 1996 welfare reform legislation. We follow with a discussion of the differences in food stamp participation rates in rural and urban areas and present evidence from a survey and focus groups on the different barriers to participation in these areas.

BACKGROUND

Since the 1970s, food stamps and cash welfare have been two of the three cornerstones of America's low-income assistance policy (the third being Medicaid). Interestingly, although FSP and cash assistance have close coordination at the local level, their overall structures and administrative approaches at the federal and state levels have differed.

Even prior to welfare reform in 1996, states, and some counties, were given high degrees of autonomy in setting the major parameters of their cash assistance programs. Even under the previous Aid to Families with Dependent Children (AFDC) system, program benefit levels for similar households could, and did, vary dramatically across states, and states had significant leeway in setting rules for determining such program parameters as benefit level, the countable income construct used in establishing eligibility, and work requirements.

By contrast, FSP policies since the 1970s have been closely set

by federal legislation and regulation. The *Code of Federal Regulations* has more than 400 pages of fine print, specifying in minute detail the programmatic and operation rules that states and local FSP offices must follow in determining and issuing benefits under the program.

This difference in the level of federal control between the two programs has reflected, at least in part, a belief that the uniformity built into the FSP was important because the program provided a partial safety net with which to mitigate potential problems caused by state disparities in levels of cash benefits. This safety net function is readily apparent in available data on benefit levels. For a typical AFDC family in states with relatively generous AFDC benefit levels, such as California, food stamp benefits amounted to less than one-third of the household's combined AFDC and food stamp benefits, while for a similar family in low-benefit states, such as Texas, food stamp benefits constituted well over half of the household's combined benefits (U.S. House of Representatives 1998).

In its deliberations over welfare reform, Congress explicitly decided to preserve the centralization of the FSP while decentralizing the cash assistance system. The 1996 Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) transformed cash assistance into a block grant, essentially increasing the discretion afforded to the states in shaping their own welfare systems. However, proposed legislation to transform food stamps funding into block grants was emphatically rejected. A reading of the policy debate from the time makes it clear that there was a desire by much of the policy community to mitigate any potentially harmful effects of the increased decentralization of welfare policy by retaining federal uniformity in the FSP.

This same tension remains in the policy debate over many assistance policies today. In recent years, states have regularly asked for more control over the Food Stamp Program to more thoroughly integrate food stamp and cash assistance policies, while policymakers at the federal level have reacted to these requests with considerable caution. An important issue in this debate is the extent to which the FSP can serve the diverse needs of populations in different states. This chapter addresses this issue by examining how well the program serves two quite different low-income populations: those in rural areas and those in urban areas.

DATA SOURCES

We use data from four sources to compare how well the Food Stamp Program serves rural and urban populations. First, data on the number and characteristics of FSP participants were obtained from program administrative data. Second, data on the number of persons eligible for food stamps were obtained from the Current Population Surveys (CPS). Information on reasons for nonparticipation and experiences with the program was obtained both from a survey and from focus groups of low-income persons.

Our estimates of the number and characteristics of food stamp participants are from fiscal years 1996 and 1998 Food Stamp Program's Quality Control (FSPQC) sample. The FSPQC, designed to detect payment errors, consists of an annual review of national probability samples of about 50,000 food stamp cases. These program data provide better estimates of participation than do household survey data, owing to the considerable underreporting of program participation in household surveys (Ross 1988; Trippe, Doyle, and Asher 1992).

Our estimates of the number and characteristics of households that are eligible for food stamps are based on data from the March 1997 and March 1999 CPS. The food stamp eligibility of people and households in the CPS was simulated using information on the demographic and economic characteristics of the household.[1]

Both the FSPQC and CPS data use definitions of "urban" and "rural" aggregated at the county level and based on Office of Management and Budget definitions of Metropolitan Statistical Areas (MSAs). However, because the FSPQC data do not include data on the place of residence of the food stamp household, we define a household as "urban" if the local office that administers its food stamp case is located in a county that is in an MSA.[2] If the household's food stamp office is outside an MSA, it is defined as a "rural" household. The CPS defines a household as "urban" if its place of residence is within an MSA.

Third, quantitative information on satisfaction with the FSP and experiences applying for and using food stamps of both participants and eligible nonparticipants was obtained from the National Food Stamp Survey (NFSS), conducted in 1996 and 1997 for the U.S. Department of Agriculture, Food and Nutrition Service (FNS). It inter-

viewed national probability samples of more than 2,000 FSP participants and approximately 450 nonparticipants to obtain information about their experiences with the program, as well as on other issues. (Results of this survey are presented in Ponza et al. 1999 and Ohls et al. 1999.)

Fourth, qualitative information on the experiences of both participants and eligible nonparticipants was also collected in a study examining the reasons for low participation rates among working and elderly people, *Reaching the Working Poor and Poor Elderly*, also conducted for FNS. As part of this study, 12 focus groups were conducted with either food stamp participants (four groups) or low-income persons who did not participate in the program (eight groups).[3] The groups were evenly divided between groups of elderly and working people. The focus groups occurred in six sites. Of these sites, two were located in urban areas (Baltimore, Maryland, and Houston, Texas), two in suburban areas (Baltimore County, Maryland, and around Eugene-Springfield, Oregon), and two in rural areas (Polk County, Texas, and Lincoln County, Oregon). The focus group discussions focused on barriers to participation, reasons why nonparticipants chose not to participate, and reasons why participants could overcome the barriers to participation.

URBAN/RURAL DIFFERENCES IN THE CHARACTERISTICS OF FOOD STAMP PARTICIPANTS

Although the FSP serves a predominantly urban population, a significant minority of recipients live in rural areas. In fiscal year 1998, just under one-quarter of food stamp participants (measured as either households or individual participants) lived in rural areas, while just over three-quarters of food stamp participants lived in urban areas. About 77 percent of all food stamp benefits were paid to people in urban areas, and 23 percent of all benefits were paid to people in rural areas.

Rural and urban food stamp participants differ in terms of both demographic composition and economic characteristics (Table 14.1). Rural households are less likely to contain children (54 percent of food

Table 14.1 Characteristics of 1998 Food Stamp Households by Urban/Rural Location

Household characteristic	Urban	Rural	All households
Composition (%)			
Households with children	59.7	54.0	58.3
Households with elderly	16.6	23.0	18.2
Households with children and single parent	41.7	33.1	39.6
Other	24.8	24.5	24.7
Race/ethnicity (%)			
White non-Hispanic	38.9	65.8	45.6
Black non-Hispanic	38.8	23.8	35.1
Hispanic	18.6	6.6	15.6
Asian or Pacific Islander	2.9	1.1	2.5
Other	0.7	2.8	1.2
Gross income relative to the poverty guideline (%)			
Below 50% of poverty level	38.4	34.3	37.4
50% to 100% of poverty level	52.0	55.1	52.8
Above 100% of poverty level	9.5	10.6	9.8
Income, by type (%)			
Earned income	25.4	28.9	26.3
Unearned income	79.8	75.5	78.8
No income	8.6	9.3	8.8
Average household size (persons)	2.42	2.44	2.42
Average gross income as % of the poverty threshold	59.9	61.8	60.3
Average shelter expense ($)	322	258	307
Average monthly benefit ($)	168	157	165
Average monthly benefit per person ($)	70	65	68
Sample size	31,430	15,666	47,145[a]

[a] The metropolitan status of 49 households was unknown.

SOURCE: Fiscal year 1998 Food Stamp Quality Control Sample.

stamp households in rural areas contain children compared with 60 percent of food stamp households in urban areas). In addition, urban food stamp households with children are more likely to be single-parent households compared with rural food stamp households. Rural food stamp households are more likely to contain an elderly person. Approximately 23 percent of food stamp households in rural areas contain an elderly person compared with 17 percent in urban areas. The racial and ethnic composition of food stamp households also varies between urban and rural areas. The majority (66 percent) of food stamp households in rural areas are white and not of Hispanic origin, compared with only 39 percent of food stamp households in urban areas. In contrast, the majority of food stamp households in urban areas are black or Hispanic (57 percent), compared with less than one-third of food stamp households in rural areas (30 percent).

On average, food stamp households in rural areas are slightly better off financially than their counterparts in urban areas (see average values at the bottom of Table 14.1). Average income before any deductions for expenses (gross income) is 62 percent of the poverty threshold in rural food stamp households compared with 60 percent in urban households. A slightly higher proportion of households in rural areas have gross income above the poverty threshold (11 percent in rural areas compared with 10 percent in urban areas). Rural FSP households are more likely to receive income from the employment of a household member.

Average food stamp benefits per person are lower in rural areas. Average monthly benefits are $65 per person in rural areas compared with $70 per person in urban areas (Table 14.1). Rural food stamp households have lower average food stamp benefits because they have higher average income and slightly larger average households.[4] Shelter expenses are, on average, 25 percent higher in urban areas than rural areas for food stamp households.

URBAN/RURAL DIFFERENCES IN FOOD STAMP PARTICIPATION RATES

The FSP was designed to provide food assistance to all people that need it, irrespective of where a person lives. An important indication of

how well the program is fulfilling this mission is the participation rate—the rate at which persons eligible for the program participate in it. Low participation rates suggest that the FSP may not be meeting the needs of the low-income population.

Urban/Rural Differences in 1998

Table 14.2 presents estimates of the participation rates in rural and urban locations.[5] About 73 percent of rural residents who are eligible for food stamps participate in the program compared with only 63 percent of urban residents eligible for food stamps. The overall participation rate is 65 percent. The higher participation rates in rural areas are somewhat surprising, given the differences in demographic characteristics of low-income households in urban and rural areas. It is well documented that participation rates are relatively low among households containing elderly persons, those with working household members, and households without children (Castner and Cody 1999; McConnell and Nixon 1996). As noted above, these populations with low participation rates—the elderly, the working, and people without children—are more highly concentrated in rural areas. Thus, on the basis of demographic characteristics alone, we might expect rural areas to have lower participation rates.

The urban/rural difference in participation rates is primarily due to higher proportion of participating households with children in rural ar-

Table 14.2 Food Stamp Participation Rates by Household Composition and Location, 1998 (%)

Household composition	Urban	Rural	All areas
All individuals	63.1	73.3	65.3
Individuals in households with children	72.4	90.0	75.9
Nonelderly individuals in households without children	53.7	58.8	54.8
Elderly individuals in households without children	28.6	34.0	30.0

SOURCE: Fiscal year 1998 Food Stamp Program Quality Control Sample and the March 1999 Current Population Survey.

eas. Table 14.2 reports the participation rates of people in three different types of households. Although the FSP participation rate is higher in rural areas for people in each type of household, the largest urban/rural difference is found in the participation rate for people in households with children—90 percent in rural areas and only 72 percent in urban areas.

Changes over Time in Rural and Urban FSP Participation Rates

The rural/urban difference in the trends over time in the participation rate is quite striking. Table 14.3 presents estimates of the number of food stamp participants, the number of persons eligible for food stamps, and the FSP participation rates in urban and rural areas in 1996

Table 14.3 Number of Food Stamp Participants, Eligibles, and Participation Rates, 1996 and 1998

Location	1996	1998	Change 1996–1998 (%)
Urban			
Food stamp participants (000s)	20,002	15,087	–24.6
Food stamp eligibles (000s)	27,947	23,898	–14.5
Participation rate (%)	71.6	63.1	–8.5[a]
Rural			
Food stamp participants (000s)	5,857	4,858	–17.1
Food stamp eligibles (000s)	8,211	6,627	–19.3
Participation rate (%)	71.3	73.3	2.0[a]
All areas[b]			
Food stamp participants (000s)	25,874	19,969	–22.8
Food stamp eligibles (000s)	36,239	30,586	–15.6
Participation rate (%)	71.4	65.3	–6.1[a]

[a] Values are percentage points.

[b] The number of participants and eligibles in the urban and rural areas do not add up to the total in all areas because the urban/rural location is unknown for some people.

SOURCE: Fiscal years 1996 and 1998 Food Stamp Program Quality Control Sample and the March 1997 and 1999 Current Population Surveys.

and in 1998.[6] As we had anticipated based on data on overall caseloads, the FSP participation rate in urban areas fell dramatically between 1996 and 1998, from 72 percent to 63 percent. However, the FSP participation rate in rural areas actually increased slightly, from 71 percent to 73 percent. Hence, whatever has caused the decrease in FSP participation rates in urban areas has apparently not affected participation rates in rural areas.

We found this result sufficiently surprising that we spent considerable effort checking its accuracy. Because the participation rates are determined by combining estimates derived from two separate databases, the FSPQC and the CPS, we initially were concerned that some subtle difference or change over time in how these data sets defined "urban/rural" could be affecting the results. However, a careful review of the relevant documentation revealed no evidence of this. More convincingly, to further examine the robustness of the participation rate results, we redid the analysis dividing the data into two groups of states—the 19 most urban states and the 31 remaining most rural states. The logic is that this state-based analysis makes no direct use of the indicator for whether an area is urban or rural and could, therefore, not be sensitive to changing urban-rural definitions. Again, in this version of the analysis (not shown), the finding remains that the overall decrease in participation rates is essentially an urban phenomenon.

We also examined patterns over time and between states in FSP participation as measured by the CPS. The QC data, which are based on administrative records, are in general a much stronger data set for examining trends in participation because of the problems of undercounting in survey data, because of the richness of the QC data, and because the QC data are weighted to sum to known national program participation counts. However, a reviewer of an earlier draft of this chapter noticed that the rural participation rate calculated using CPS data as the numerator *fell* between 1996 and 1998, contrary to our finding using QC data (see Nord, in this volume, p. 433). If the QC data on participation are approximately correct, the different findings from CPS data would suggest that the well-documented "undercount" of food stamp cases in the CPS must have been increasing (getting worse) in rural areas between 1996 and 1998. To ensure that this trend was not limited to some idiosyncratic problem in just one or two states, we calculated the undercount by state using the ratio of the number of partici-

pants in the CPS to the number of participants in the QC data. As expected, we found that the undercount was increasing more in relatively rural states, but there was no individual state or small number of states that accounted for most of the difference.

So what accounts for the overall decline in participation and the fact that it is largely an urban phenomenon? Although we lack a complete understanding of the mechanisms causing the overall decline in the FSP participation rate, it has frequently been attributed to either the strong economy or factors related to welfare reform (Dion and Pavetti 2000). FSP caseloads have declined steadily since 1994, and FSP participation rates historically have fallen as the economy improved (Castner and Cody 1999). However, this cannot explain the urban/rural difference in FSP participation rates, given that the number of persons in poverty has fallen faster in rural areas. Although the poverty rate is still higher in rural areas than in urban areas (the 1998 poverty rate was 14 percent in rural areas compared with 12 percent in urban areas), between 1996 and 1998, the number of people in poverty decreased by 10.1 percent in rural areas compared with only 4.3 percent in urban areas (U.S. Census Bureau 2000).

We have also considered the possibility that the larger drop in the number of food stamp–eligible people in rural areas might be due to the changes in FSP eligibility rules introduced by PRWORA. However, the available data do not support this hypothesis. PRWORA made two major changes in FSP eligibility rules: most permanent resident aliens became ineligible for food stamps; and most able-bodied adults without dependents (ABAWDs) were limited to only three months of benefits in a 36-month period unless they worked or participated in a workfare or another approved employment and training program.[7] Evidence suggests that a greater proportion of the people affected by the changes in eligibility rules live in urban areas.[8] In 1994, nearly 14 percent of food stamp–eligible people in urban areas were noncitizens compared with fewer than 4 percent in rural areas. The urban/rural difference in the number of people affected by the ABAWD provision is smaller but in the same direction—a slightly smaller proportion of people eligible for food stamps were affected by the ABAWD provision in rural areas.[9]

Welfare reform may have affected FSP participation rates in four ways. First, food stamp participants leaving welfare (because they find work, are sanctioned, or reach the time limit) may think they are no

longer eligible for food stamps. Second, food stamp participants may believe it is not worth the hassle to continue to receive only food stamp benefits. Third, diversion programs that discourage people from applying for welfare may also discourage applications for food stamps. Fourth, welfare reform, by placing a greater emphasis on self-sufficiency, may have increased the stigma of receiving food stamps. Evidence concerning how welfare reform may have affected FSP participation rates is discussed below.

URBAN/RURAL DIFFERENCES IN EXPERIENCES WITH THE FOOD STAMP PROGRAM

The opinions and experiences of the FSP clientele are also important indicators of how well the program is serving those in need of food assistance. Table 14.4 shows the responses of FSP participants in the NFSS to questions about their experiences with the FSP. The participants are distinguished by those residing in urban areas, those residing in rural areas, and those residing in areas that have both rural and urban components.

The most striking finding is the high degree of overall satisfaction with the program in all areas. More than 85 percent of respondents were satisfied with the overall program, and similarly high rates of satisfaction were expressed with the application and recertification procedures. Satisfaction is at least as great in rural areas as it is in urban areas. For each of the three measures of satisfaction examined in the top panel of the table, the percent of respondents who were satisfied was at least as high in rural areas as it was in urban areas.

Food stamp participants in rural areas seem to be more satisfied with their treatment by caseworkers than in urban areas. In rural areas, 96 percent of respondents said that their caseworkers treated them respectfully compared with 90 percent of respondents in urban areas. Similarly, a higher proportion of rural respondents said they thought that the caseworkers provided the needed services.

These survey results are consistent with our findings from focus group discussions among low-income working and elderly people conducted for the Ponza and McConnell (1996) study. Focus group mem-

Table 14.4 Participants' Experiences with the Food Stamp Program by Participant Location (% of participants)

	Urban	Rural	Mixed
Satisfaction with Food Stamp program			
Satisfied with application process	84.5	84.5	85.9
Satisfied with recertification process	85.8	87.3	88.8
Satisfied with overall program	86.7	88.9	88.5
Participants indicating perception of stigma			
Avoided telling people that they received food stamps	22.1	18.2	25.0
Perceived disrespectful treatment by store clerks, others	24.4	17.2	22.3
Replied "yes" to at least one of six stigma-related questions	39.9	36.6	40.5
Participants satisfaction with caseworkers			
Believed caseworker treats them respectfully	90.1	96.2	91.8
Believed caseworker provides the needed services	86.4	91.7	91.1
Sample size	1,234	325	728

NOTE: Survey respondents were classified as urban if the census reported that at least 90% of the households in their zip code lived in urban areas, they were classified as rural if at least 90% of the households in their zip code did not live in urban areas, and were otherwise classified as mixed.

SOURCE: 1996 National Food Stamp Survey, weighted data; see Ohls et al. (1999).

bers in urban areas emphasized problems with food stamp office staff attitudes and the rude and disrespectful way they often treated food stamp clients. The following comment was typical of members of the urban focus groups: "It's the attitude of the people that work there. You know . . . they act like they don't really care whether they help you or not." Members of the focus groups in rural and suburban areas complained much less about the food stamp office staff. According to focus group members, the food stamp offices that people in rural and suburban areas visited were smaller operations and staff were more personable and had a greater sense of community.

To shed additional light on the rural/urban differences in the FSP

participation rates, we examined differences in the reasons given for nonparticipation by both NFSS survey respondents and Ponza and McConnell (1996) focus group members who were not receiving food stamps at the time they participated in the data collections. In the analysis of both the survey and focus groups, we examined four main groups of reasons for not participating in the program.

1. Some people lack information about the program. They may think they are ineligible or do not know how or where to apply.
2. Some people say that they do not need food stamp benefits. A frequent response given by nonparticipants when asked in focus groups or surveys why they do not participate was, "I can get by without them."
3. Problems related to the administration of the program may deter participation. Problems cited in surveys and focus groups include difficulty getting to the food stamp office, an application process that is too long and complicated, the need to provide too much personal information, food stamp staff who are perceived to be disrespectful, and a food stamp office that is viewed as unpleasant or unsafe.
4. People frequently cite embarrassment in applying for and using food stamp benefits.

The most common reason given, by far, for not applying for food stamps was that the respondent did not think he or she was eligible (Table 14.5). This perception of ineligibility was more prevalent in rural areas than in urban areas (79 percent vs. 70 percent in urban locales). Lack of information was more frequently mentioned as a reason for nonparticipation among the Ponza and McConnell focus groups in rural and suburban areas than in the urban areas. Several members of an elderly nonparticipant focus group in a rural county in Oregon reported that, although they knew about food stamps, they did not know how to apply for them, and many thought, erroneously, that they were ineligible because they did not receive welfare. This was also true for working and elderly focus groups in suburban areas. In contrast, in urban areas, the members of the nonparticipant focus groups were very aware of food stamps and knew where the office was. Indeed, many had previously either applied for or received benefits. It is important to note that both the survey and focus groups were conducted prior to the

Table 14.5 Reasons for Not Applying for Food Stamps by Eligible Nonparticipants, by Location (% of nonparticipants)

Reasons for nonparticipation	Urban	Rural	All
Information problems			
Not aware that they may be eligible	69.6	79.2	71.7
Do not know where or how to apply	1.8	0	1.4
Perceptions of need			
Do not need food stamps	7.9	7.4	7.8
Program administration			
Too much paperwork	2.9	2.4	2.8
Transportation is a problem	1.6	1.2	1.5
Benefit too small for effort required	2.9	2.4	2.8
Psychological/stigma			
Do not like to rely on government assistance	5.3	1.2	4.4
Do not want to be seen shopping with food stamps	0.9	0	0.7
Do not want peers to know need help	0.9	0	0.7
Too proud to ask for assistance	0.5	0	0.4
People treat you badly	0.9	0	0.7
Questions too personal	0.6	0	0.5
Previous bad experience with the program	2.4	2.4	2.4
Other reasons			
Never got around to applying	1.4	0	1.1
Don't feel like it	2.1	3.6	2.4
Other	3.3	0.6	2.7
Missing data	2.0	1.2	1.8
Sample size	325	125	450

NOTE: Percentages may sum to more than 100% because respondents could give more than one reason for not applying.

SOURCE: 1996 National Food Stamp Program Survey, weighted data. See Ohls et al. (1999).

implementation of PRWORA, and the proportion of persons who think they are ineligible may now have increased in urban areas.

A second common reason given for nonparticipation is that the respondent does not need food stamp benefits. This reason was given slightly more frequently by respondents in urban areas than in rural areas. To the extent that the nonparticipants really do not need assistance,

a low participation rate should not be a concern. However, discussions in the Ponza and McConnell focus groups suggested that at least some people who said they did not need food stamp benefits showed signs of food insecurity, such as visiting food banks and having to go to friends or relatives for meals.

It is commonly stated that transportation difficulties in rural areas are barriers to FSP participation. However, problems with transportation were rarely raised in either the rural or urban focus groups. Also, in the NFSS, transportation problems were rarely given as reasons for not applying for food stamps in either rural or urban areas. Transportation problems were cited slightly more frequently as reasons for not applying for food stamps in urban areas.

We also examined whether people in rural areas are more affected by the stigma of receiving food stamp benefits than are people in urban areas; however, the evidence is mixed. NFSS respondents in rural areas perceived less stigma than did those in urban areas. In rural areas, 37 percent of respondents replied "yes" to one of six stigma-related questions, compared with 40 percent in urban areas (see Table 14.4). Also, a slightly higher proportion of urban nonparticipants gave stigma-related reasons when asked why they did not participate (see Table 14.5). On the other hand, stigma-related issues were mentioned by members of the working and elderly focus groups more often in rural areas. Typical comments among rural residents were: "It's pride"; "I want to be independent"; "I would find it very embarrassing"; "I would feel a failure." The reported sources of embarrassment were mainly related to using food stamps in grocery stores. Although in urban areas, people were often shielded by anonymity in grocery stores, rural residents believed that it was unlikely they could go to a store without meeting someone they knew. As one focus group member in Lincoln County, Oregon, said, "You go to the grocery store behind somebody that uses food stamps and the clerks and all the other people around you kind of look down on you because you are using food stamps."

Members of the rural focus groups suggested that they would be more likely to use food stamps if the benefits could be accessed by using an Electronic Benefit Transfer (EBT) card—a card that looks like a credit card and automatically debits the customer's food stamp account. In Polk County, Texas, where EBT was used, focus group members claimed it made using food stamps less embarrassing, although they

noted that people could still tell. The use of EBT, which is now mandated by law, is increasing rapidly.

CONCLUSION

Several useful conclusions about how the Food Stamp Program is operating in rural areas emerge from our analysis. We review them here and then attempt to generalize to the larger issues of public assistance strategy mentioned in the introduction. First, our analysis suggests that the characteristics of the urban participants differ quite significantly from the rural participants. Second, contrary to expectations, it appears that participation rates are actually higher in rural areas than in urban areas. The differentials vary substantially according to household characteristics, with the largest difference observed for households with children.

Third, the recent decline in FSP participation rates occurred primarily in urban areas. In studying the fall in FSP participation rates, it may be useful to researchers to focus on urban-rural differences. An understanding of why the FSP participation rates did not fall in rural areas may suggest ways to raise the participation rates in urban areas. Fourth, the focus group and survey data suggest several reasons why rural participation rates may not have fallen in line with those in urban areas. Although lack of program knowledge seemed to be greater in rural areas in 1996, this may no longer be the case. The confusion about FSP eligibility may have increased in urban areas given the changes in welfare programs. The confusion may be lesser in smaller rural offices, where the overall quality and "user-friendliness" of administration may be better and where a smaller proportion of the clients are affected by the changes in the welfare programs.

Fifth, it appears that transportation is not as strong a barrier to participation as might have been expected in either rural or urban locations. Although distances to the offices are clearly greater in rural areas, most eligible households appear to be able to find the necessary transportation, either with their own cars or by finding a ride.

So how do these observations relate to the appropriate levels of centralization in public assistance programs? Our interpretation is that

the FSP, with its relatively centralized structure and policy-setting process, has been quite successful in meeting the needs of different types of localities, as reflected in the urban-rural distinction. Our data suggest that, overall, the program appears to be meeting the needs of the rural low-income populations at least as well as those of the urban low-income populations.

To be sure, the FSP has well-known limitations in both rural and urban settings. In both rural and urban areas, there is concern about participation rates and levels of program access. Issues surrounding administrative error rates are present in both areas. Further, there may well be unique problems associated with the FSP in rural areas. For instance, although our evidence suggests that they are probably few in number, there may be some households for whom transportation barriers posed by rural distances are significant. There does seem to be a lack of understanding of the FSP eligibility rules in rural areas. However, our general point is that, overall, the apparent obstacles to operating the program successfully appear to be no worse in rural areas than in urban areas.

Parsing the data by urban versus rural location represents a strong test of whether a single assistance program can meet the diverse needs of many different local areas given that the urban/rural distinction would appear to be one of the most significant in differentiating localities across the country. Our argument is that the relatively centralized structure of the FSP passes this test.

Notes

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1. This simulation was conducted using a model constructed under contract to the Food and Nutrition Service of the U.S. Department of Agriculture. The model is discussed in detail in Castner and Cody (1999), Cody and Castner (1999), and Trippe, Doyle, and Asher (1992).
2. In the 15 states where the Food Stamp Program is county-administered, an office in the household's county of residence administers its case. In the other states, it is

possible, but not likely, that the office that administers a household's case is located in a county that is not their county of residence.

3. The design of, and findings from, the focus groups are discussed in Ponza and McConnell (1996).
4. Based on an assumption of economies of scale in food purchases, household food stamp benefits are set so that benefits per person fall as the number of people in the household increases.
5. Estimates of FSP eligibles are derived from the CPS data using methods that essentially parallel those used by the Food and Nutrition Service of the U.S. Department of Agriculture in producing official estimates of participation rates. Our figures differ slightly from the official participation rates reported by the Food and Nutrition Service (Castner and Cody 1999) because they are calculated from the average annual number of participants and eligibles, rather than the number of participants and eligibles for a particular month. The official rates are also adjusted for payment errors and adjusted so that the number of households and participants are the same as reported in program operations data.
6. Comparisons of 1994 and 1998 data show larger changes in the same direction in the number of FSP-eligible people and the FSP participation rates.
7. Eligibility was restored to some permanent resident aliens in the 1998 Agricultural Research, Extension, and Education Reform Act. The Balanced Budget Act of 1997 increased the availability of exemptions for ABAWDs.
8. Because neither the FSPQC nor the CPS contain all the information necessary to model the complex eligibility rules for these two groups, the estimates on the number of persons affected by the eligibility changes are based on a substantial number of assumptions that are not fully tested.
9. These estimates do not take into account that states can apply for waivers from the ABAWD provision for areas that have unemployment rates greater than 10 percent or are considered to have insufficient jobs. It is possible that states applied for more waivers for the urban areas, although this is not obvious from a casual observation of the list of waivers.

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